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# Iraq

## Status Report

August 19, 2009



Bureau of Near Eastern Affairs  
U.S. Department of State

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## HIGHLIGHTS



- **The Government of Iraq Postpones National Census (*POLITICAL*, page 4).**
- **BP Technical Team Meets with Iraqi Oil Engineers (*ECONOMIC*, page 10).**
- **Iraq and Syria Agree to Form Bilateral Security Committee after PM Maliki Visit (*DIPLOMATIC*, page 17).**
- **MNF-I Commander Proposes Tripartite Security Cooperation for Northern Iraq (*SECURITY*, page 19).**

## POLITICAL - Governance & Legislation



### Attacks grow on homosexuals as Iraq postpones national census

#### The Government of Iraq Postpones National Census:

- The Iraqi government has indefinitely postponed plans to hold a national census, fearing that the move could ignite ethnic and political tensions in Kirkuk and across the country. The postponed census, originally scheduled for October 2009, would have been the first census in 22 years. Iraq's Planning Minister Ali Baban stated that Iraq was "technically ready for the census. But hearing the fears, concerns and reservations of political groups in Kirkuk and [the northern province of] Ninewa, we decided to slow down the process and the census has been postponed indefinitely."

#### Report Warns of Growing Attacks on Homosexuals in Iraq:

- Human Rights Watch released a statement August 17 warning that homosexual men have been tortured and killed in Iraq in recent months. According to the report, Muqtada al-Sadr's Mahdi Army militia has joined in the attacks and defends its actions as a way to stop the "feminization" of Iraqi men. Iraqi officials have asserted that the government does not condone such attacks.

## POLITICAL - Governance & Legislation



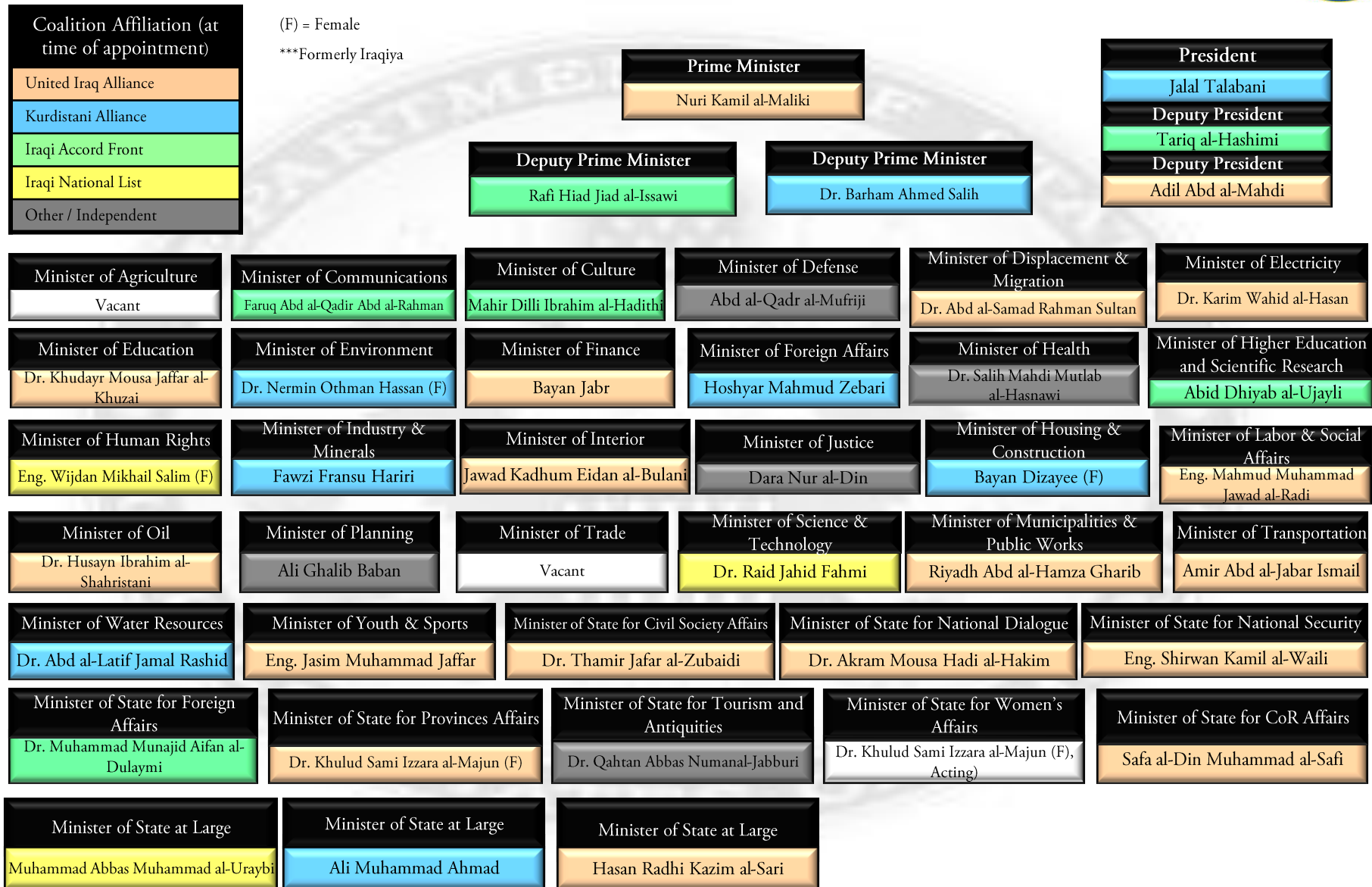
Attacks grow on homosexuals as Iraq postpones national census

### **Cabinet Approves Draft Law that Requires Senior Officials to Renounce Dual Citizenship:**

- Prime Minister Nuri al-Maliki's cabinet approved draft legislation that obligates all senior government and security officials to renounce any foreign citizenship or leave their positions. The bill, which is awaiting parliament's approval, would affect key officials including the President, Prime Minister, Speaker of Parliament and his deputies, and army and police commanders. It would also apply to Ministers of Interior, Defense, Finance, Oil and Foreign Affairs. Over half of Iraq's ministers currently hold dual citizenship.



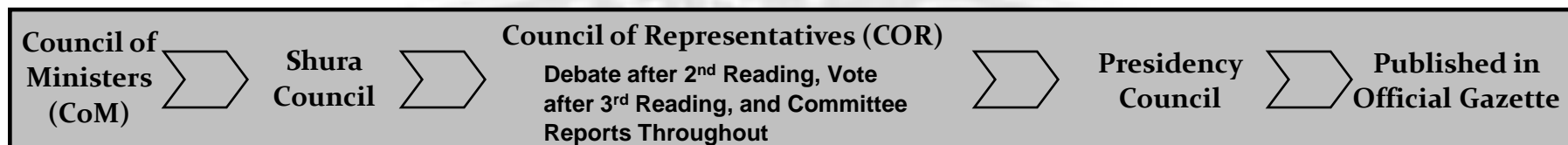
# POLITICAL – Government of Iraq





## POLITICAL – Key Legislative Issues

### Legislative Process



- **Hydrocarbons Package:** The Framework Law was resubmitted to the Oil and Gas Committee on October 26, 2008 and then returned to the Council of Ministers. There has been no progress on the other three laws in the package.
- **NGO Law:** This law will regulate the operations and funding of Non-Governmental Organizations operating within Iraq. It received its first reading in the Council of Representatives on April 20, 2009.
- **National Elections Law:** A draft of a proposed national elections law is in committee but has not been finalized.

## POLITICAL - Refugee Update



- **Regional governments report hosting as many as 2 million Iraqi refugees.**
- **The International Organization for Migration (IOM) estimates that over 2.8 million Iraqis are displaced inside Iraq.**
- **In FY08, the State Department's Bureau of Population, Refugees and Migration contributed \$287.08 million to international organizations and nongovernmental organizations to assist displaced Iraqis inside the country and in the region.**
- **The U.S. admitted 13,823 Iraqi refugees in FY08 (which ended September 30).**
- **Since the program's inception in FY07, 31,643 Iraqi refugees have been admitted for U.S. resettlement; in FY09 alone, the U.S. seeks to admit a minimum of 17,000 Iraqi refugees.**
- **As of March 2009, a total of 375 Special Immigrant Visa (SIVs) have been issued for Iraqi translators and interpreters since FY08 (under the Section 1059 program).**
- **As of March 2009, a total of 641 SIVs have been issued for Iraqis since FY08 (under the Section 1244 program).**
- **Secretary of State Hillary Clinton announced July 24 that the United States is contributing more than \$100 million in new assistance this year to support the return and reintegration of displaced Iraqis.**



# ECONOMIC – Oil



## Oil prices are rising, but exports and production remain below 2009 targets

### Crude Oil Update:

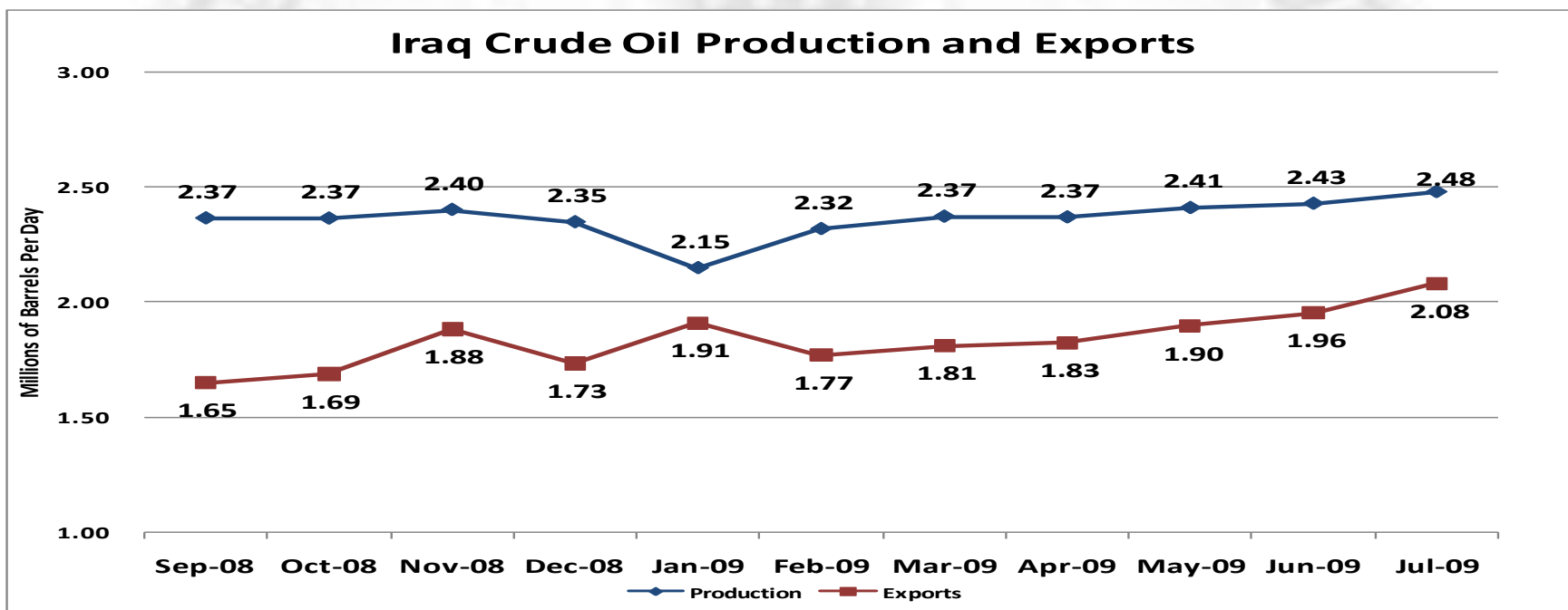
*Price averages in world markets closed with the following prices:*

Basrah Light at \$72.31/barrel

Dated Brent at \$72.47/barrel

WTI Cushing at \$69.65/barrel

Oman/Dubai at \$72.34/barrel



### Revenue estimates:

**2007: \$41.0 Billion**

**2008: \$61.9 Billion**

**2009 (ytd): \$ \$19.40 Billion\***

\*New revenue formula is used for 2009 that is more accurate, if lower.

## ECONOMIC – Oil



Talks continue over the Rumaila field as Iraq begins to look toward the second bid round and other development contracts

### **BP Technical Team Meets with Iraqi Oil Engineers:**

- According to senior Iraqi oil officials, a technical team from BP met with Iraqi oil engineers to begin preparations to sign a deal to develop the Rumaila field. Dhiya Jaafar, the director general of the South Oil Company, said some technical issues remained between BP and CNPC, partners for the development of the Rumaila field. "We are still in the process of technical discussions and some issues concerning Rumaila deal need to be ironed out. Signing the contract depends on resolving these issues," Jaafar said. Jaafar did not give any indication when he expected the contract to be finalized.

## ECONOMIC – Oil



Talks continue over the Rumaila field as Iraq begins to look toward the second bid round and other development contracts

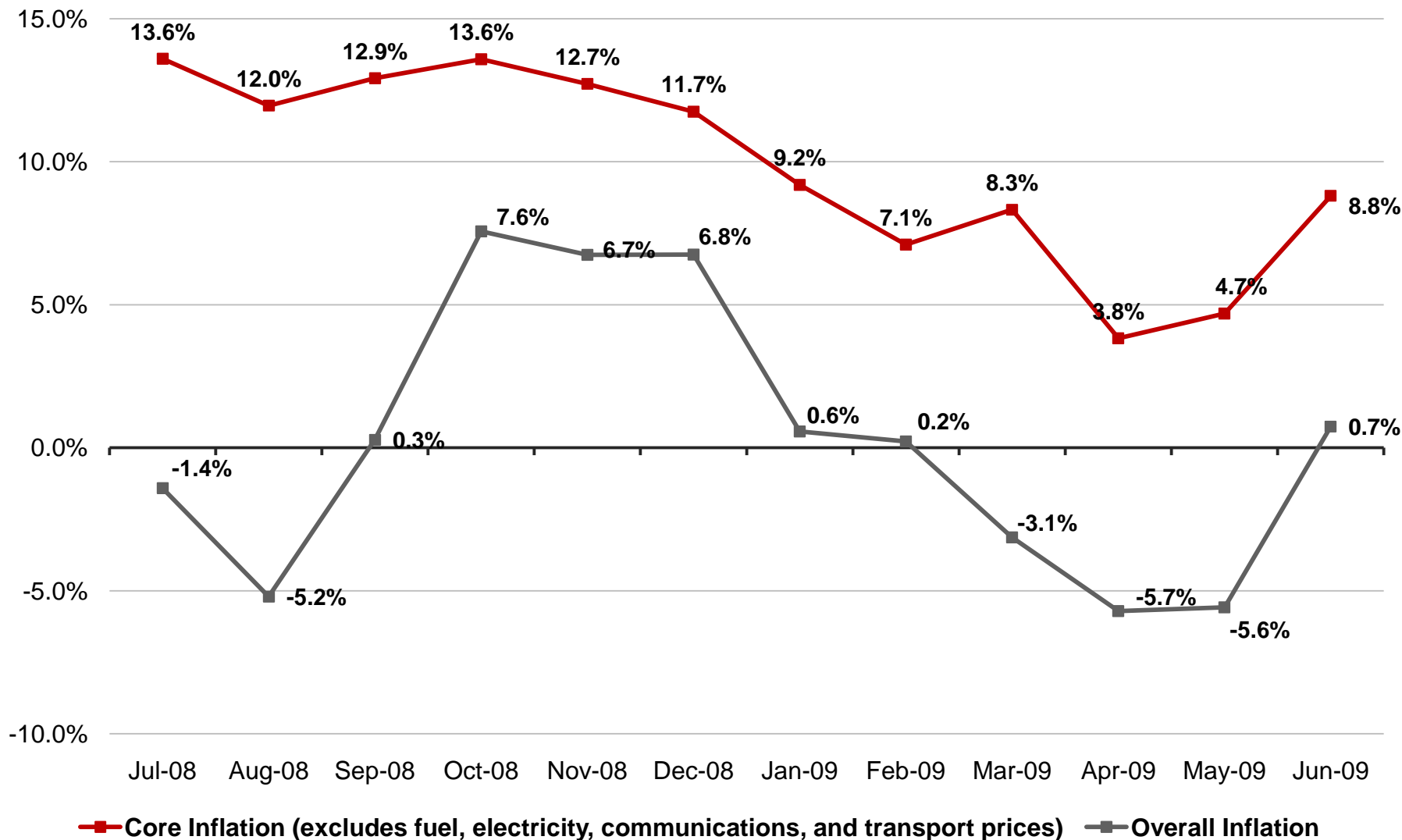
### Iraq to Offer Up Contract for Tuba and Rafidain Fields:

- Ministry of Oil spokesperson Assem Jihad said August 16 the Ministry plans to invite international oil companies to develop the Tuba and Rafidain oil fields with an Engineering, Procurement, and Construction (EPC) services contract. He also said that the negotiations for the Nasiriya are expected to be completed soon. Italy's Eni SpA, Spain's Repsol, and Japan's Nippon Oil were competing for the EPC services contract. He announced the opening of a third production unit at the Najaf refinery, increasing its refining capacity to 30,000 barrels per day. According to Jihad, the refinery will help meet demand for petroleum products such as kerosene and heating oil in southern and central Iraq.

# ECONOMIC - Fiscal and Monetary Affairs



## Year-on-Year Inflation



## ECONOMIC – Fiscal and Monetary Affairs



Iraq sees slight decrease in inflation rate in July

Economic Indicator	This Week	Last Week	Last Month	Last Year
<b>Iraqi Commercial Bond Sales</b>				
Price (USD)	\$68.93	\$68.63	\$65.27	\$66.08
Yield	9.37%	9.42%	9.94%	10.96%

### Inflation Rate Decreases in July:

- Iraq's Central Organization for Statistics and Information Technology (COSIT) said August 17 Iraq's inflation rate decreased by 0.4% in July compared with June 2009. According to a statement released by COSIT, the drop was attributed to a reduction in the consumer price index. Year-on-year core inflation in June was 8.8%. Prices of foodstuff, tobacco, beverages, apparel, furniture and fuel all decreased, although transportation, medicines and other services showed an increase in prices. The annual inflation rate also dropped by 1.5% in the period from July 2008 to July 2009.

## ECONOMIC – Private Sector



### Iraq's date industry hurt by drought and declining government revenues

#### Iraq's Date Industry on the Decline:

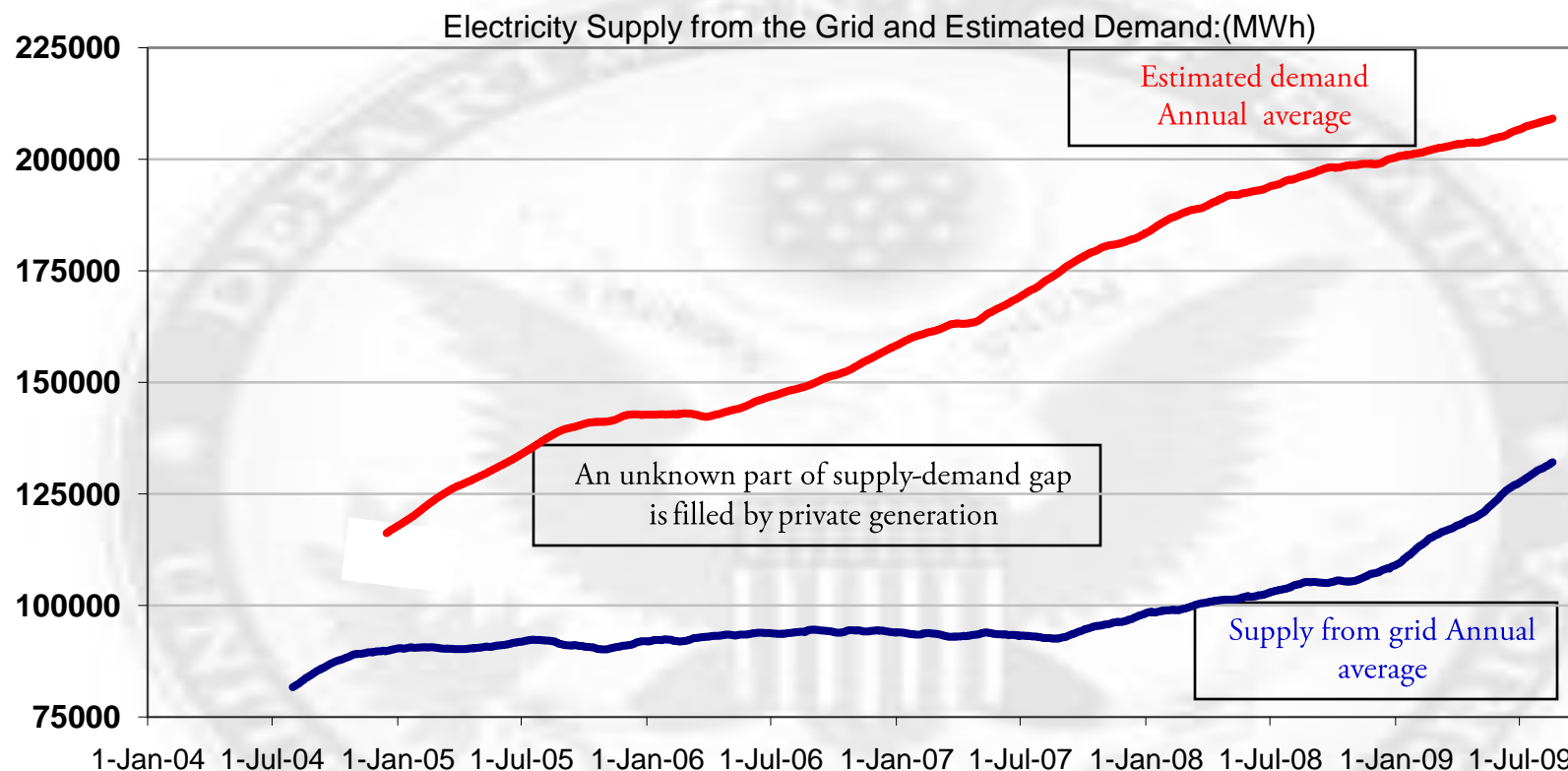
- Iraq's date crop has been on the decline in recent years due to an ongoing drought, fungi and pests as well as a lack of investment in the industry. Once one of the world's leading date producers, Iraq has fallen behind Egypt, Iran and Saudi Arabia. According to the Ministry of Agriculture, the yield from the date crop in 2008 was 281,000 tons, roughly half the amount it produced in the mid-1980s. The number of date palms has decreased to fewer than nine million as has the number of date processing facilities. Nine packaging facilities operate in Iraq, down from 150 before 2003; Iraqi dates are now packaged in the UAE. Depressed oil prices have also forced the government to cut the amount of money it provides to farmers.



## Public Services – Electricity



### GOI needs to strengthen policy actions to manage demand and usage patterns



- Electricity supply from the grid August 12-18 was 32% above 2008 and met 61% of estimated demand, compared with 50% for the year earlier period. The addition of nearly 1300 MW of potentially available generating capacity was responsible for 45% of the large year-on-year supply increase; the remainder was due to increased percentage utilization of the capacity.

## Beyond Baghdad



Autism Training Conference at Muthanna University

**“...we will help Iraq's institutions strengthen their capacity to protect the rule of law, confront corruption, and deliver basic services.”**

*President Barack Obama*

### *Recent Highlights*

#### *Muthanna*

A conference on autism training was held at the Medicine College at Muthanna University. The conference, which was chaired by a psychologist, informed participants about characteristics of autism, detection, and how to handle the impact of autism. Practical guidance was also given to help those with autism become more independent in their daily lives. The local media covered the event and conducted interviews with family members, as well as presenters.

#### *Diwaniyah*

A road refurbishment project to improve the conditions of the “Street of the Hanging Bridge” in Diwaniyah City has been completed. The project was designed to facilitate traffic and to reduce congestion. Engineers from the Directorate of Roads and Bridges oversaw the reconstruction which included removing and replacing the asphalt top coat, paving sidewalks, installing traffic lights and street signs, and building a garden in the median.

#### *Dhi Qar*

Despite a few setbacks, the Mobile Cinema, a PRT funded program that showcases Iraqi directed full length and short films, will begin its tour August 9. The tour starts at the Ziggurat and will end in al-Chubaish. The subject matter of the selected movies range from the impact of the Saddam Hussein regime on three individuals to one man’s survival in the Marshlands. Mobile Cinema was highly publicized in the area with many posters on display promoting the event.

## DIPLOMATIC – Political Engagement



### Prime Minister Maliki visits Syria to discuss regional security

#### PM Maliki Visits Syria; Security Tops Agenda:

- Following the August 18 visit of PM Maliki to Damascus, Syria and Iraq agreed to form a new high-level committee headed by their prime ministers. According to Iraqi government spokesman Ali al-Dabbagh, the committee will meet twice a year to improve cooperation and will include various cabinet ministers, including those for defense and foreign affairs. Maliki also reportedly asked Syrian officials to stop fighters from crossing into Iraq and to hand over those suspected of being involved in attacks inside Iraq. A senior delegation of U.S. military leaders also recently met with Syrian officials to discuss ongoing concerns.



## SECURITY – Situation Update

### Attacks in Mosul and Baghdad test Iraqi Security Forces

#### Car Bomb Attacks Strike Baghdad August 19:

- Two trucks detonated outside of Government of Iraq (GOI) ministry buildings in Baghdad August 19, killing at least 95 people and wounding hundreds of others. The deadliest attack of the day occurred when a truck filled with explosives detonated near the al-Rasheed Hotel and Ministry of Foreign Affairs (MFA) building near the Green Zone. The blast damaged the MFA and surrounding buildings. Just minutes before, another truck bomb exploded outside the Ministry of Finance building in northern Baghdad wounding more than 200 others and destroying part of a nearby bridge.

#### Suicide Bombers near Mosul Kill 21:

- In the northern town of Sinjar, near Mosul, two suicide bombers detonated at a café August 13. An Iraqi health official said the attack killed 21 people. The attack comes after several other high profile bombings over the past two weeks in northern Iraq.

## SECURITY – Security Transition



### U.S. Forces continue transition efforts in support of the Security Agreement and Strategic Framework Agreement

#### **MNF-I Commander Proposes Tripartite Security Cooperation for Northern Iraq:**

- **Multi-National Force-Iraq (MNF-I) Commander, General Ray Odierno, said he is discussing an accord with ministers from the Government of Iraq (GOI) and Kurdistan Regional Government (KRG) that would allow the temporary deployment of U.S. Forces to northern Iraq to work alongside Iraqi Security Forces (ISF) and KRG Forces in disputed villages along the KRG-Iraq border region. General Odierno told reporters he had discussed the proposal with Iraqi Prime Minister Nuri al-Maliki and KRG President Massoud Barzani, saying that both leaders were receptive to the idea. Odierno says the deployment of the U.S.-Iraqi-Kurdish protection forces would start in Ninewa province and then extend to Kirkuk. Odierno told reporters in Baghdad August 17, “We have al-Qaida exploiting this fissure that you’re seeing between the Arabs and the Kurds in Ninewa and the KRG, and what we’re trying to do is close that fissure, that seam.”**



## SECURITY – Security Transition



### U.S. Forces continue transition efforts in support of the Security Agreement and Strategic Framework Agreement

#### **Draft Law for Security Agreement Referendum Passed by Iraqi Cabinet:**

- Iraq's cabinet has approved a draft law allowing a referendum on the U.S.-Iraq Security Agreement. The legislation must go through Iraq's Council of Representative (COR) now in recess until September, before it is signed into law. The referendum, which if signed into law will likely be held in January 2010 along with the national elections, will give Iraqis the opportunity to approve or disapprove of the previously signed U.S.-Iraq Security Agreement.

#### **U.S. Brigade Combat Team Scheduled for Redeployment with No Replacement:**

- Multi-National Force-Iraq (MNF-I) announced the redeployment of the 2<sup>nd</sup> Brigade Combat Team (BCT), 4<sup>th</sup> Infantry Division, August 15. The BCT is scheduled to return to Fort Carson, Colorado later this month and will not be replaced by another unit. There are currently 13 BCTs in Iraq. The redeployment is in accordance with the Responsible Drawdown Plan directed by President Obama.



## SECURITY – Security Transition



### U.S. Forces continue transition efforts in support of the Security Agreement and Strategic Framework Agreement

#### U.S. Forces Transfer Military Installations to ISF Authority:

- U.S. Forces transferred authority of Combat Outposts (COP) Key West and Milledge to the Government of Iraq (GOI), August 11. The COPs, located in Diyala province, were primarily used by U.S. Forces assigned to the 1st Stryker Brigade Combat Team, 25th Infantry Division, as well as their Iraqi partners, the 5th Iraqi Army Division. U.S. Forces also turned over control of Joint Security Station (JSS) Zubaida to Iraqi Security Forces (ISF) August 10. The majority of JSS Zubaida, located south of Baghdad, remains under ISF control, while two homes and a few acres were given back to the previous civilian owners.



## CONTACT INFORMATION

**This brief draws from multiple sources. References are cited on the following pages.**

**For additional information, please see:**

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<http://2001-2009.state.gov/p/nea/rls/rpt/>
- Department of State, Section 1227 Report on Iraq  
<http://2001-2009.state.gov/p/nea/rls/rpt/>
- Department of Defense, Section 9010 Measuring Stability and Security in Iraq  
[http://www.defenselink.mil/home/features/Iraq\\_Reports/index.html](http://www.defenselink.mil/home/features/Iraq_Reports/index.html)

**Please forward all questions and/or comments to:**

**[NEA-I-IPOG-DL@state.gov](mailto:NEA-I-IPOG-DL@state.gov)**



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Slide 4:

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- CNN, August 17, [http://www.cnn.com/2009/WORLD/meast/08/17/iraq.homosexual.killings/index.html?section=cnn\\_latest](http://www.cnn.com/2009/WORLD/meast/08/17/iraq.homosexual.killings/index.html?section=cnn_latest)

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- AFP, August 12, <http://www.google.com/hostednews/afp/article/ALeqM5h0EkOkQ-K8PN3kSUr4F6e9qKKiVg>

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- Department of State, NEA/I Political Section, NEA-I-POL-DL@state.gov

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- Business Week, AP, August 16, <http://www.businessweek.com/ap/financialnews/D9A3UV184.htm>

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- Source for President Obama's Quote: [http://www.whitehouse.gov/the\\_press\\_office/Remarks-of-President-Barack-Obama-Responsibly-Ending-the-War-in-Iraq/](http://www.whitehouse.gov/the_press_office/Remarks-of-President-Barack-Obama-Responsibly-Ending-the-War-in-Iraq/)

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- MNF-I, August 15 [http://www.mnf-iraq.com/index.php?option=com\\_content&task=view&id=27592&Itemid=128](http://www.mnf-iraq.com/index.php?option=com_content&task=view&id=27592&Itemid=128)

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- MNF-I, August 12, [http://www.mnf-iraq.com/index.php?option=com\\_content&task=view&id=27571&Itemid=225](http://www.mnf-iraq.com/index.php?option=com_content&task=view&id=27571&Itemid=225)